

Rep. Matsui Introduces Home Retention and Economic Stabilization Act

WASHINGTON, D.C. - Today, Rep. Doris Matsui (CA-05) introduced the Home Retention and Economic Stabilization Act in the U.S. House of Representatives. This timely and necessary legislation will provide responsible relief to homeowners struggling to find solutions to their high-interest, untraditional mortgages.

FOR IMMEDIATE RELEASE

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Will Provide Relief to Sacramento Homeowners

WASHINGTON, D.C. - Today, Rep. Doris Matsui (CA-05) introduced the Home Retention and Economic Stabilization Act in the U.S. House of Representatives. This timely and necessary legislation will provide responsible relief to homeowners struggling to find solutions to their high-interest, untraditional mortgages.

"This year, I have met with many Sacramento area families who are struggling with their mortgages in today's volatile economy. I believe that we must preserve the American dream of homeownership, and help hard-working Americans to weather these uncertain economic times," said Rep. Matsui.

With the record number of defaults and foreclosure activity, the mortgage industry has become overwhelmed. As a result, borrowers who want to renegotiate their loans are not being properly assisted in a timely fashion and are essentially running against the clock to save their homes.

Furthermore, Sacramento ranks amongst the top cities in the nation in the amount of foreclosures happening everyday. Across the state, one in 20 homes is projected to experience foreclosure over the next two years, and three of the top five counties in the nation for foreclosures are in California: Sacramento, Riverside, and Modesto Counties. This summer, Los Angeles County is forecasted to be particularly hard-hit by the ongoing mortgage crisis.

"We need to bring immediate and responsible relief to both homeowners and lenders. Homeowners need to be reassured that they will be able to stay in their homes for years to come. We must calm the turbulent waters of the mortgage industry, and give financial institutions confidence in offering lending services in the future," said Rep. Matsui.

The Home Retention and Economic Stabilization Act will call for a temporary "time out" and provide stability to prevent more hard-working Americans from falling further into foreclosure activities. Specifically, this bill would give certain primary residents, who are in good standing and fall within a specific income cap, the right to defer foreclosure activity for up to nine months on certain adjustable rate mortgages. During the deferment period, eligible homeowners would be required to continue making the minimum monthly payment that was owed during the introductory period of their mortgage. By doing so, this bill preaches personal responsibility.

This bill would also require the mortgage holder/servicer to provide a detailed notification letter to homeowners 120 days prior to any adjustment to their mortgage. The notification would include, among other items, a good faith estimate of the amount of the monthly payment that will apply after mortgage reset and a list of alternatives consumers may pursue.

Lastly, this proposal would authorize \$200 million housing counseling assistance. The funding will go through the Neighborhood Reinvestment Corporation to be allocated to states and areas impacted the most by foreclosures.

"We cannot sit idly by while our neighbors fall victim to the mortgage crisis. Sacramento has been particularly hard-hit by the housing crisis. My intention is to find responsible relief for homeowners to find viable solutions to their financial challenges," said Rep. Matsui.

"I will continue to work to find solutions to help Americans handle the housing crisis, rising costs of everyday items, and skyrocketing price of gas. By moving forward with these solutions now, we can ensure a better, more stable America in the future," said Rep. Matsui.

The Home Retention and Economic Stabilization Act enjoys wide support, including:

Sacramento Housing & Redevelopment Agency (SHRA)

"We offer our sincere thanks to Congresswoman Matsui for her leadership in proposing this much-needed legislation. It will dramatically enhance our local ability to deal with the multi-faceted effects of this very difficult situation, and offers the right approach at the right time."

- LaShelle Dozier, Interim Executive Director, SHRA

National NeighborWorks Association

"We commend the Congresswoman for addressing the current foreclosure crisis by introducing the Home Retention and Economic Stabilization Act. It is timely, since the nation is experiencing a serious spike in mortgage delinquency and foreclosures. As Congress works to stem the rise in foreclosures, this will help to stabilize neighborhoods throughout America"

- David Brown, Executive Director, National NeighborWorks Association

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